

# Wisconsin State Legislature

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## **Joint Committee on Finance** *100<sup>TH</sup> ANNIVERSARY 1911 - 2011*

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative Robin Vos

Date: July 8, 2011

Re: DHS Report to JFC

Attached is a report on BadgerCare Plus Basic from the Department of Health Services, pursuant to s. 49.67, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



State of Wisconsin  
Department of Health Services

Scott Walker, Governor  
Dennis G. Smith, Secretary

July 1, 2011

RECEIVED  
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BY: St. Finance

The Honorable Alberta Darling, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
Madison, WI 53702

The Honorable Robin Vos, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter and the attached statistics fulfill the Department's legislative reporting requirements for BadgerCare Plus Basic under section 49.67 of the Wisconsin Statutes.

As you know, Basic was developed by the previous administration using an unrealistic set of assumptions. The program was intended to support itself on a premium of \$130 per month. It never did. As it turns out, about 40% of Basic's funding has come from a federal grant that is now due to expire August 31, 2011.

Earlier this year, the Department took action to correct these false assumptions. Our goal has been to try to put Basic on a sustainable course for members already enrolled in the program. In March, we announced a freeze on new enrollment and increased premiums to \$200.

Given that no state funding was appropriated to support this program and that federal support is ending August 31, the Department will closely monitor program expenditures and revenues and continue to adjust premiums as necessary.

Per the specific reporting requirements identified in s.49.67(9g), claims payments for Basic totaled \$10.9 million through June 27, 2011. Premium revenue totaling \$6.9 million had been collected through June 2011. Revenue from a federal grant has covered the difference. Federal funding originates from the State Health Access Program (SHAP) grant administered by the Health Resource Services Administration (HRSA). This grant ends August 31, 2011.

No changes to provider payment rates have been implemented since the program began on July 1, 2010. Beginning with the September coverage payment due August 5, monthly premiums increased from \$130 to \$200. Quarterly, semi-annual and annual premium payment discount options also ended at that time.

Effective January 1, 2011, Basic benefits and cost-sharing were adjusted as follows:

- An increase in co-payments for brand name prescriptions from \$5 to \$10.
- The implementation of radiology co-payments, tiered at \$5 and \$20.
- The implementation of vaccination co-payments of \$10.
- The number of covered emergency room visits was reduced from five to two per enrollment year.

Senator Darling and Representative Vos

July 1, 2011

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As of June 27, 2011, 4,659 people were enrolled in BadgerCare Plus Basic. Member demographic information, including age, gender and county of residence, is attached. Enrolling in Basic requires beginning an application for the BadgerCare Plus Core Plan online at [access.wi.gov](http://access.wi.gov) or by phone. That process involves reporting income and insurance information to determine if the applicant is eligible to be added to the Core waitlist. Since enrollment for Basic began, 1,054 Basic applicants were determined ineligible at the point of applying for the Core waitlist.

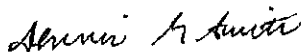
Once individuals have enrolled, the Basic verification process uses a variety of wage, income and insurance databases to verify the information members have reported. Disparities trigger DHS follow-up and potential disenrollment. Before the Department suspended further eligibility processing, DHS had determined 140 individuals ineligible for Basic due to exceeding the income limit or having other insurance.

In July 2010, the Centers for Medicare and Medicaid Services (CMS) approved the Department's amendment to the Core Plan waiver to create a waitlist bypass into Core for Basic members based on medical severity. The initial medical criterion for this policy was a cancer diagnosis. In December 2010, the Department expanded the criteria to include severe cardiac conditions. More than 500 Basic members have transitioned to Core as a result of these policies. The Department has frozen the waitlist bypass option for Basic members to move to Core because it is not a sustainable strategy and Core funding has been maxed-out.

The Department is committed to assisting those on the Core Plan waitlist and those who may now wish to disenroll from Basic in finding more stable insurance options that can better address their needs.

We will continue to keep members of the Legislature informed as we try to keep Basic viable for current members while attending to our financial management responsibilities for this program.

Sincerely,



Dennis G. Smith

Secretary

| BC+ Basic by County |         |
|---------------------|---------|
| County              | Members |
| ADAMS               | 26      |
| ASHLAND             | 18      |
| BARRON              | 49      |
| BAYFIELD            | 25      |
| BROWN               | 166     |
| BUFFALO             | 15      |
| BURNETT             | 33      |
| CALUMET             | 24      |
| CHIPPEWA            | 50      |
| CLARK               | 40      |
| COLUMBIA            | 57      |
| CRAWFORD            | 22      |
| DANE                | 315     |
| DODGE               | 75      |
| DOOR                | 41      |
| DOUGLAS             | 23      |
| DUNN                | 33      |
| EAU CLAIRE          | 63      |
| FLORENCE            | 11      |
| FOND DU LAC         | 77      |
| FOREST              | 18      |
| GRANT               | 52      |
| GREEN               | 23      |
| GREEN LAKE          | 15      |
| IOWA                | 24      |
| IRON                | 16      |
| JACKSON             | 11      |
| JEFFERSON           | 68      |
| JUNEAU              | 39      |
| KENOSHA             | 167     |
| KEWAUNEE            | 14      |
| LA CROSSE           | 56      |
| LAFAYETTE           | 18      |
| LANGLADE            | 35      |
| LINCOLN             | 26      |
| MANITOWOC           | 66      |
| MARATHON            | 85      |
| MARINETTE           | 60      |
| MARQUETTE           | 20      |
| MILWAUKEE           | 677     |
| MONROE              | 25      |
| OCONTO              | 36      |
| ONEIDA              | 38      |
| OUTAGAMIE           | 121     |
| OZAUKEE             | 60      |
| PEPIN               | 06      |
| PIERCE              | 25      |
| POLK                | 49      |
| PORTAGE             | 64      |

| BC+ Basic by Gender |      |       |
|---------------------|------|-------|
| Female              | Male | Total |
| 2692                | 1967 | 4659  |

| BC+ Basic by Income |             |  |  |
|---------------------|-------------|--|--|
| FPL% Range          | Count       |  |  |
| No Income           | 2160        |  |  |
| 0% to 9.99% FPL     | 22          |  |  |
| 10% to 19.99% FPL   | 36          |  |  |
| 20% to 29.99% FPL   | 63          |  |  |
| 30% to 39.99% FPL   | 78          |  |  |
| 40% to 49.99% FPL   | 62          |  |  |
| 50% to 59.99% FPL   | 77          |  |  |
| 60% to 69.99% FPL   | 106         |  |  |
| 70% to 79.99% FPL   | 125         |  |  |
| 80% to 89.99% FPL   | 139         |  |  |
| 90% to 99.99% FPL   | 155         |  |  |
| 100% to 109.99% FPL | 134         |  |  |
| 110% to 119.99% FPL | 195         |  |  |
| 120% to 129.99% FPL | 170         |  |  |
| 130% to 139.99% FPL | 152         |  |  |
| 140% to 149.99% FPL | 148         |  |  |
| 150% to 159.99% FPL | 181         |  |  |
| 160% to 169.99% FPL | 213         |  |  |
| 170% to 179.99% FPL | 186         |  |  |
| 180% to 189.99% FPL | 135         |  |  |
| 190% to 199.99% FPL | 122         |  |  |
| <b>Total</b>        | <b>4659</b> |  |  |

| BC+ Basic by Age Group |             |  |
|------------------------|-------------|--|
| Group                  | Count       |  |
| Up to 30               | 732         |  |
| 31 to 40               | 396         |  |
| 41 to 50               | 987         |  |
| 51 to 60               | 1854        |  |
| 61 to 64               | 690         |  |
| <b>Total</b>           | <b>4659</b> |  |

|                       |             |
|-----------------------|-------------|
| PRICE                 | 33          |
| RACINE                | 139         |
| RICHLAND              | 15          |
| ROCK                  | 120         |
| RUSK                  | 07          |
| ST. CROIX             | 52          |
| SAUK                  | 52          |
| SAWYER                | 21          |
| SHAWANO               | 43          |
| SHEBOYGAN             | 83          |
| TAYLOR                | 32          |
| TREMPEALEAU           | 23          |
| VERNON                | 30          |
| VILAS                 | 45          |
| WALWORTH              | 254         |
| WASHBURN              | 31          |
| WASHINGTON            | 104         |
| WAUKESHA              | 264         |
| WAUPACA               | 48          |
| WAUSHARA              | 24          |
| WINNEBAGO             | 76          |
| WOOD                  | 78          |
| MENOMINEE             | 03          |
| RED CLIFF T1          | 01          |
| POTAWATOMI T1         | 01          |
| LAC DU FLAMBEAU T1    | 01          |
| ONEIDA TRIBAL COUNCIL | 02          |
| <b>Total</b>          | <b>4659</b> |